GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:712
ANSWERED ON:05.03.2007
REVIVAL OF MFL
Ponnuswamy Shri Mohan

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a)whether the Union government has received any request from the Government of Tamil Nadu for revival of Madras Fertilizers Ltd. (MFL);

(b) if so the details thereof; and

(c) the reaction of the Government thereto.

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS(SHRI B.K.HANDIQUE)

(a) : Yes Sir.

(b) : Shri M. Karunanidhi, Chief Minister, Government of Tamil Nadu vide his letters dated 27.9.2006 and 15.12.2006 had requested the Union Government for implementation of the recommendations of Tariff Commission for pricing of complex fertilizers from April 2002 and for the grant of outlier benefit at a higher rate than 50%. It was also requested to take urgent measures to prevent imminent closure of the company and also to revive it.

(c) : The Government had extended the outlier benefit to MFL upto 30.9.2006 to make its co-terminus with Stage-II of New Pricing Scheme (NPS). Possibilities of financial restructuring of the company are also being explored by the Department of Fertilizers to avoid closure of the company.